

OCT 1 9 2021



# SUPERIOR COURT FOR THE STATE OF CALIFORNIA

### FOR THE COUNTY OF ALAMEDA

CENTER FOR ENVIRONMENTAL HEALTH,

Plaintiff,

٧.

TOTAL SWEETENERS, INC., et al.,

Defendants.

Case No. RG 19-001951

[P<del>ROBOS</del>ED] AMENDED CONSENT JUDGMENT AS TO IMPERIAL SUGAR COMPANY

AMENDED CONSENT JUDGMENT - IMPERIAL SUGAR COMPANY - CASE NO. RG 19-001951

#### 1. INTRODUCTION

- 1.1 The Parties to this Amended Consent Judgment (the "Consent Judgment") are the Center For Environmental Health ("CEH"), a California non-profit corporation, and Imperial Sugar Company ("Settling Defendant"). CEH and Settling Defendant (the "Parties") enter into this Consent Judgment to settle certain claims asserted by CEH against Settling Defendant as set forth in the operative complaint ("Complaint") in the above-captioned matter. This Consent Judgment covers molasses, including ingredients made with molasses such as cane syrup, that is sold or distributed by Settling Defendant and subsequently packaged by third parties and sold to California consumers as molasses.
- 1.2 On July 2, 2019, CEH provided a 60-day Notice of Violation of Proposition 65 to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to Settling Defendant, alleging that Settling Defendant violated Proposition 65 by exposing persons to lead and lead compounds ("Lead") contained in molasses without first providing a clear and reasonable Proposition 65 warning.
- 1.3 On July 27, 2021, CEH provided a 60-day Notice of Violation of Proposition 65 to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to Settling Defendant, alleging that Settling Defendant violated Proposition 65 by exposing persons to acrylamide contained in molasses without first providing a clear and reasonable Proposition 65 warning.
- 1.4 Settling Defendant is a corporation that manufactures, distributes, sells or offers for sale Covered Products that are sold to third parties that subsequently sold the Covered Products in the State of California or has done so in the past. Settling Defendant sells bulk molasses, including ingredients made with molasses such as cane syrup, to other businesses, not consumers.

- 1.5 On January 9, 2019, CEH filed the Complaint in the above-captioned matter. On November 20, 2019, CEH amended the Complaint to add Settling Defendant as a Doe defendant in the action. Upon entry of this Consent Judgment, the Complaint shall be deemed amended numc pro tunc to assert additional claims under Proposition 65 for alleged exposures to acrylamide as to Covered Products sold by Settling Defendant.
- 1.6 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Settling Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Alameda and that this Court has jurisdiction to enter and enforce this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaint based on the facts alleged therein with respect to Covered Products manufactured, distributed or sold by Settling Defendant.
- Parties of any fact, conclusion of law, issue of law or violation of law, nor shall compliance with the Consent Judgment constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law or violation of law. Nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument or defense the Parties may have in any other pending or future legal proceedings. This Consent Judgment is the product of negotiation and compromise and is accepted by the Parties solely for purposes of settling, compromising and resolving issues disputed in this Action.

### 2. **DEFINITIONS**

- 2.1 "Covered Products" means molasses, including ingredients made with molasses such as cane syrup, that is sold or distributed by Settling Defendant and subsequently packaged by third parties and sold to California consumers as molasses.
- 2.2 The "Effective Date" is the date CEH serves the Notice of Entry of this Consent Judgment.

- 2.3 The "Lead Level" shall mean a concentration level of no more than 35 parts per billion ("ppb") Lead by weight.
- 2.4 The "Acrylamide Level" shall mean a concentration level of no more than 325 parts per billion ("ppb") acrylamide by weight.

### 3. INJUNCTIVE RELIEF

- 3.1 Clear and Reasonable Warnings for Covered Products. As of the Effective Date, Settling Defendant shall not sell or offer for sale any Covered Product that:
  - contains acrylamide in a concentration exceeding the Acrylamide Level; or
- contains lead in a concentration exceeding the Lead Level,
  unless Settling Defendant provides a clear and reasonable warning as further specified in this
  Section 3.
- 3.2 **Warning Language**. The warning required by Section 3.1 for Covered Products shall state the following:
- 3.2.1 For Covered Products that contain acrylamide in a concentration exceeding the Acrylamide Level:

# WARNING:

Consuming this product can expose you to chemicals including acrylamide, which is known to the State of California to cause cancer. For more information go to <a href="https://www.P65Warnings.ca.gov/food">www.P65Warnings.ca.gov/food</a>.

3.2.2 For Covered Products that contain Lead in a concentration exceeding the Lead Level:

#### WARNING:

Consuming this product can expose you to chemicals including lead, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to <a href="www.P65Warnings.ca.gov/food">www.P65Warnings.ca.gov/food</a>.

3.2.3 For Covered Products that contain both acrylamide in a concentration exceeding the Acrylamide Level and Lead in a concentration exceeding the Lead Level:

### WARNING:

Consuming this product can expose you to chemicals including lead and acrylamide, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to <a href="www.P65Warnings.ca.gov/food">www.P65Warnings.ca.gov/food</a>. The word "WARNING" must be in all capital letters and bold print.

- 3.3 Placement of Warning Language. The warning language set forth in Section 3.2 shall appear on the order acknowledgment in the form attached hereto as Exhibit A (Acknowledgment) that Settling Defendant sends to a customer after it receives a purchase order but prior to shipment of any Covered Product. The warning language shall be in the substantially same size font or larger as the product description on the Acknowledgment. The Acknowledgment may be sent via email or other electronic means provided that it is sent to the usual or designated contact for the customer ordering the Covered Product.
- 3.4 Internet Sales. Settling Defendant does not currently sell Covered Products through its website. If Settling Defendant in the future sells Covered Products over the internet, the warning language set forth in Section 3.2 must be prominently displayed in such a manner that it is likely to be read and understood as being applicable to the Covered Product being sold prior to the authorization of or actual payment by the purchaser. For purposes of this Section 3.4, the warning language is not prominently displayed if the customer must search for the warning language in the general content of Settling Defendant's website or if a reasonable consumer cannot determine the specific Covered Product to which the warning applies. If the product display page contains other warnings or nutritional information in a language other than English, the warning language set forth in Section 3.2 must also be displayed on the website in that language in addition to English.

### 4. ENFORCEMENT

4.1 **Enforcement Procedures.** This Court shall have exclusive jurisdiction over all matters regarding enforcement of the Consent Judgment. Prior to bringing any motion or order to show cause to enforce the terms of this Consent Judgment, a Party seeking to enforce shall

provide the violating party thirty (30) days advanced written notice of the alleged violation. The Parties shall meet and confer during such thirty (30) day period in an effort to try to reach agreement on an appropriate cure for the alleged violation. After such thirty (30) day period, the Party seeking to enforce may, by motion or order to show cause before the Superior Court of Alameda, seek to enforce Proposition 65 or the terms and conditions contained in this Consent Judgment.

#### 5. PAYMENTS

- 5.1 **Payments by Settling Defendant.** Settling Defendant shall pay the total sum of \$120,000 as a settlement payment as further set forth in this Section within ten (10) business days of the Effective Date.
- 5.2 Allocation of Payments. The total settlement amount for Settling Defendant shall be paid in four (4) separate checks in the amounts specified below and delivered as set forth below. Any failure by Settling Defendant to comply with the payment terms herein shall be subject to a stipulated late fee to be paid by Settling Defendant in the amount of \$100 for each day the full payment is not received after the applicable payment due date set forth in Section 5.1. The late fees required under this Section shall be recoverable, together with reasonable attorneys' fees, in an enforcement proceeding brought pursuant to Section 4 of this Consent Judgment. The funds paid by Settling Defendant shall be allocated as set forth below between the following categories and made payable as follows:
- 5.2.1 \$20,360 as a civil penalty pursuant to Health & Safety Code §25249.7(b). The civil penalty payment shall be apportioned in accordance with Health & Safety Code §25249.12 (25% to CEH and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")). Accordingly, the OEHHA portion of the civil penalty payment for \$15,270 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be delivered as follows:

For United States Postal Service Delivery:

Attn: Mike Gyurics Fiscal Operations Branch Chief Office of Environmental Health Hazard Assessment

### P.O. Box 4010, MS #19B Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:
Attn: Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street, MS #19B

Sacramento, CA 95814

The CEH portion of the civil penalty payment for \$5,090 shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

Health & Safety Code §25249.7(b), and California Code of Regulations, Title 11, §3204. CEH intends to place these funds in CEH's Toxics in Food Fund and use these funds to support CEH programs and activities that seek to educate the public about toxic chemicals in food, to work with the food industry and agriculture interests to reduce exposure to toxic chemicals in food and to thereby reduce the public health impacts and risks of exposure to acrylamide, Lead and other toxic chemicals in food sold in California. CEH shall obtain and maintain adequate records to document that ASPs are spent on these activities and CEH agrees to provide such documentation to the Attorney General within thirty (30) days of any request from the Attorney General. The payment pursuant to this Section shall be made payable to the Center for Environmental Health and associated with taxpayer identification number 94-3251981. This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

5.2.3 Settling Defendant shall pay \$84,375 as a reimbursement of a portion of CEH's reasonable attorneys' fees and costs (including but not limited to expert and investigative costs). The attorneys' fees and cost reimbursement shall be made by check payable to the Lexington Law Group and associated with taxpayer identification number 94-3317175. This payment shall be delivered to Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

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5.2.4 To summarize, Settling Defendant shall deliver four checks made out to the payees in the amounts set forth below:

Payee	Туре	Amount	Deliver To		
ОЕННА	Penalty	\$15,270	OEHHA per Section 5.2.1		
Center For Environmental Health	Penalty	\$5,090	LLG LLG		
Center For Environmental Health	ASP	\$15,265			
Lexington Law Group	Fee and Cost	\$84,375	LLG		

# 6. MODIFICATION AND DISPUTE RESOLUTION

- 6.1 **Modification.** This Consent Judgment may be modified from time to time by express written agreement of the Parties, with the approval of the Court, or by an order of this Court upon motion and in accordance with law.
- 6.2 **Notice; Meet and Confer.** Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with all affected Parties prior to filing a motion to modify the Consent Judgment.
- 6.3 Change in Proposition 65. If Proposition 65 or its implementing regulations are changed from their terms as they exist on the date of entry of this Consent Judgment, by any means including a final court decision, in a manner that impacts the Acrylamide Level and/or Lead Level, or if OEHHA takes some other final regulatory action for products similar to the Covered Products that impacts whether a warning is required for the Covered Products, then CEH or Settling Defendant may seek to modify this Consent Judgment to be consistent with any such change.

# 7. CLAIMS COVERED AND RELEASE

7.1 Provided that Settling Defendant complies in full with its obligations under Section 5, this Consent Judgment is a full, final and binding resolution between CEH on behalf of itself and the public interest and Settling Defendant and its parents, subsidiaries, affiliated entities

that are under common ownership, directors, officers, employees, agents, shareholders, successors, assigns, and attorneys ("Defendant Releasees"), and all entities to which Settling Defendant distributes or sells or has distributed or sold Covered Products, such as distributors, wholesalers, customers, retailers, franchisees, brokers, licensors and licensees ("Downstream Defendant Releasees"), of any violation of Proposition 65 based on failure to warn about alleged exposure to Lead or acrylamide contained in Covered Products that were sold by Settling Defendant prior to the Effective Date.

- 7.2 Provided that Settling Defendant complies in full with its obligations under Section 5, CEH, for itself, its agents, successors and assigns, releases, waives and forever discharges any and all claims against Settling Defendant, Defendant Releasees and Downstream Defendant Releasees arising from any violation of Proposition 65 or any other statutory or common law claims that have been or could have been asserted by CEH individually or in the public interest regarding the failure to warn about exposure to Lead or acrylamide contained in Covered Products sold or distributed by Settling Defendant prior to the Effective Date.
- 7.3 Provided that Settling Defendant complies in full with its obligations under Section 5 hereof, compliance with the terms of this Consent Judgment by Settling Defendant shall constitute compliance with Proposition 65 by Settling Defendant with respect to any alleged failure to warn about Lead or acrylamide in Covered Products sold or distributed by Settling Defendant after the Effective Date.

### 8. PROVISION OF NOTICE

When CEH is entitled to receive any notice under this Consent Judgment, the notice shall be sent by first class and electronic mail to:

Eric S. Somers Lexington Law Group 503 Divisadero Street San Francisco, CA 94117 esomers@lexlawgroup.com

8.2 When Settling Defendant is entitled to receive any notice under this Consent

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Judgment, the notice shall be sent by first class and electronic mail to:

Peg Carew Toledo Arnold & Porter Three Embarcadero Center, 10th Floor San Francisco, CA 94111-4024 peg.toledo@arnoldporter.com

Any Party may modify the person and/or address to whom the notice is to be sent by sending the other Party notice by first class and electronic mail.

### 9. COURT APPROVAL

- 9.1 CEH shall prepare and file a Motion for Approval of this Consent Judgment and Settling Defendant shall support approval of such Motion. This Section 9.1 shall become effective upon the date signed by CEH and Settling Defendant, whichever is later.
- 9.2 If this Consent Judgment is not entered by the Court, it shall be of no further force or effect and shall not be introduced into evidence or otherwise used in any proceeding for any purpose.

# 10. GOVERNING LAW AND CONSTRUCTION

10.1 The terms of this Consent Judgment shall be governed by the laws of the State of California.

### 11. ATTORNEYS' FEES

- 11.1 A Party who unsuccessfully brings or contests an action arising out of this Consent Judgment shall be required to pay the prevailing Party's reasonable attorneys' fees and costs unless the unsuccessful Party has acted with substantial justification. For purposes of this Consent Judgment, the term substantial justification shall carry the same meaning as used in the Civil Discovery Act of 1986, Code of Civil Procedure §\$2016.010, et seq.
- 11.2 Notwithstanding Section 11.1, a Party who prevails in a contested enforcement action brought pursuant to Section 4 may seek an award of attorneys' fees pursuant to Code of Civil Procedure §1021.5 against a Party that acted with substantial justification.
- 11.3 Nothing in this Section 11 shall preclude a party from seeking an award of sanctions pursuant to law.

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# 12. ENTIRE AGREEMENT

12.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto. Any agreements specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto only to the extent that they are expressly incorporated herein. No waiver of any of the provisions of this Consent Judgment shall be deemed or shall constitute a waiver of any of the other provisions hereof whether or not similar, nor shall such waiver constitute a continuing waiver unless executed in writing by the party to be bound thereby.

# 13. SUCCESSORS AND ASSIGNS

13.1 This Consent Judgment shall apply to and be binding upon CEH and Settling Defendant, and their respective divisions, subdivisions and subsidiaries, and the successors or assigns of any of them.

### 14. RETENTION OF JURISDICTION

14.1 This Court shall retain jurisdiction of this matter to enforce, implement or modify the Consent Judgment.

# 15. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT

15.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the Party represented and legally to bind that Party.

# 16. NO EFFECT ON OTHER SETTLEMENTS

16.1 Nothing in this Consent Judgment shall preclude CEH from resolving any claim

against an entity that is not Settling Defendant on terms that are different than those contained in this Consent Judgment.

# 17. EXECUTION IN COUNTERPARTS

17.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document.

IT IS SO ORDERED, ADJUDGED, AND DECREED

Dated: 10 6 76

Judge of the Superior Court

1	IT IS SO STIPULATED:	
2		
3	Dated: <u>August 18</u> , 2021	CENTER FOR ENVIRONMENTAL HEALTH
5		
5		Michael C
7		Signature
3		National C
)		Michael Green Printed Name
)		
		CEO Title
2		
3	Dated:, 2021	IMPERIAL SUGAR COMPANY
-		
		G:4
,		Signature
<b>'</b>		
		Printed Name
		Title
		-13-
	AMENDED CONSENT JUDGMENT	Γ – IMPERIAL SUGAR COMPANY – CASE NO. RG 19-001951

1	IT IS SO STIPULATED:	
2		
3	Dated:, 2021	CENTER FOR ENVIRONMENTAL
4		HEALTH
5	·	
6		
7		Signature
8		,
9		Printed Name
10		
11		Title
12	_ /	
13	Dated: 8/23, 2021	IMPERIAL SUGAR COMPANY
14	/	
15		prod
16		Signature
17		MICHAEL GORRELL
18		Printed Name
19		Do constant CEO
20		PRESIDENT + CEO
21		
22		
23		
24		
25		
26	}	
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28		-13-
	AMENDED CONSENT JUDGMENT	F – IMPERIAL SUGAR COMPANY – CASE NO. RG 19-001951

# **EXHIBIT A**

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AMENDED CONSENT JUDGMENT - IMPERIAL SUGAR COMPANY - CASE NO. RG 19-001951



# **EXHIBIT A**

#### Sales Order Acknowledgment

Order Number: IMP1816589 Purchase Order Number: 10188571

Date: 05/11/2021

Pay Terms: R210

Page: 1

Sold To:

Ship From:

Bavannah Sugar Ret - MMT imperial - savannah LF

2 Grange Road

Port Wentworth, GA 31497

1		)							
	laine-	telled	Product Number	Requested sh	1p	UOM	Quantity	Net Price	Extended Amt
-	W10 774 878		Description	Projected sn	1p/scheduled	Arsival			
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44.44		1-1	130476W	07/01/2021		EA	14.30	1.100.5000	15,477,G0
	1	3000\$ SYR SKPAPT PEF (N)	67/01/2021	/ 67/01/20	21				

#### California Proposition 5% warning statement

EXENTED: Consuming this product can expose you to chemicals including lead and acrylamide, which are known to the  $^{1}$  state of california to cause cancer and birth defects or other reproductive harm. For more information go to www.P45Warmings.da.gov/food.

Ship Ye.

Freight Terms: FOR ORIGINATION

Carrier: Contract Ro. :

Drop shipment: N

Grder Adjustment

0.00

20045

18,477 60

Rexer

0.00

Grand Total

25,477.00

Fulfillment and shipment of this order is not guaranteed. At any time, orders are subject to being placed on hold due to a) product availability, b) current transportation constraints in the marketplace, c) cradit approval, d)non-payment of outstanding invoices and/or a) any other events beyond our control.

- \*\* Please contact your customer service representative immediately if there are any discrepancies, \*\*
- \*\* including prizing, for proper mandling before order is processed for shipment and billing.

#### SUPERIOR COURT OF CALIFORNIA Reserved for Clerk's File Stamp COUNTY OF ALAMEDA COURTHOUSE ADDRESS: FILED Rene C. Davidson Courthouse Superior Court of California County of Alameda 1225 Fallon Street, Oakland, CA 94612 10/18/2021 PLAINTIFF/PETITIONER: Clad Flike, Executive Officer/Clark of the Count Center For Environmental Health Deputy DEFENDANT/RESPONDENT: J. Castarieda Total Sweetners.Inc. et al CASE NUMBER: CERTIFICATE OF MAILING RG19001951

I, the below-named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the Judgment upon each party or counsel named below by placing the document for collection and mailing so as to cause it to be deposited in the United States mail at the courthouse in Oakland, California, one copy of the original filed/entered herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid, in accordance with standard court practices.

Eileen Ridley Foley & Lardner LLP 555 California Street Suite 1700 San Francisco, CA 94104-

Eric S. Somers Lexington Law Group 503 Divisadero Street San Francisco, CA 94117-

Gary Roberts SONNENSCHEIN NATH & ROSENTHAL LLP 601 South Figueroa Street Suite 2500 Los Angeles, CA 90017-5704 Gregory P O'Hara Nixon Peabody LLP One Embarcadero Center 32nd Floor San Francisco, CA 94111-

J Noah Hagey Braunhagey & BordenLLP 351 California Street 10th Floor San Francisco, CA 94104Jack C. Henning Dillingham & Murphy, LLP 601 California Street Suite 1900 San Francisco, CA 94108-

Jeffrey B. Margulies NORTON ROSE FULBRIGHT US LLP 555 South Flower St., 41st Fl. Los Angeles, CA 90071-

Chad Finke, Executive Officer / Clerk of the Court

Dated: 10/19/2021

Clad fike , Exective Office / Chik grite Cott

J. Castaneda, Deputy Clerk

By:

James G. Scadden Gordon Rees Scully Mansukhani 1111 Broadway, Suite 1700 Oakland, CA 94607-

Kelly R Graf Dentons US LLP 601 S. Figueroa Street 25th Floor Los Angeles, CA 90017-

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